

## Message Text

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ACTION EUR-12

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 4404

AMEMBASSY MANILA

INFO AMEMBASSY BANGKOK

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY KUALA LUMPUR

USLO PEKING

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC

C O N F I D E N T I A L MOSCOW 13057

CINCPAC FOR POLADS

E.O. 11652: GDS

TAGS: PFOR, CH

SUBJECT: THE YELLOW PERIL (PHASE II)

REF: MANILA 12240

1. WE WELCOME AMBASSADOR SULLIVAN'S INVITATION TO COMMENT ON THE PROSPECTS FOR SOUTHEAST ASIA AND FOR U.S. POLICY AFTER THE FALL OF INDOCHINA.

2. IN THE FOUR MONTHS SINCE WE PREDICTED HEIGHTENED SOVIET ATTENTION TO THE REGION (MOSCOW 6800/LIMDIS), SOVIET MEDIA HAVE CARRIED FREQUENT COMMENTS ON SOUTHEAST ASIA, APPLAUDING MOVES TO REMOVE OR LIMIT THE U.S. MILITARY PRESENCE, WARNING  
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THE COUNTRIES OF THE AREA TO BE CHARY OF CLOSER RELATIONS WITH

PEKING, ADVOCATING CLOSER REGIONAL TIES (ESPECIALLY WITH THE NEW REGIMES IN INDOCHINA), AND PROMOTING ASIAN COLLECTIVE SECURITY. PRIVATELY THE SOVIETS ARE MORE CONCERNED ABOUT PRC INTENTIONS THAN ABOUT OURS, ASSERTING THAT PEKING'S MAIN THRUST IS NOW TO THE SOUTH.

3. THE SOVIETS VIEW THEIR COMPETITION WITH PEKING AS VIRTUALLY A ZERO SUM GAME, IN WHICH CHINA'S GAIN IS BY DEFINITION THEIR LOSS. THUS, WHATEVER METHODS CHINA USES TO ENHANCE ITS INFLUENCE--FROM SMILES AND HIGH LEVEL HANDSHAKES TO SUPPORT FOR SUBVERSION THROUGH GUERRILLA ACTIVITY OR THROUGH INFLUENCE IN THE ETHNIC CHINESE COMMUNITIES IN EACH COUNTRY--THE RESULT IS EQUALLY UNPALATABLE TO MOSCOW. THE SOVIETS PROBABLY ALSO WORRY THAT IN ADDITION TO THEIR GEOGRAPHIC AND ETHNIC ADVANTAGES, THE CHINESE MODEL FOR DEVELOPMENT MAY SEEM ATTRACTIVE TO SOME DEVELOPING COUNTRIES, ESPECIALLY THOSE ON CHINA'S PERIPHERY. HOWEVER, THE SOVIETS ARE LESS CONCERNED THAT SOME COUNTRIES MAY EMULATE CHINA'S ECONOMIC OR ADMINISTRATIVE MODEL (WHICH STILL BEARS CONSIDERABLE RESEMBLANCE TO ITS SOVIET PARENT) THAN THAT THEY WILL SUPPORT PEKING'S FOREIGN POLICY OBJECTIVES. THEY SEE THE SOUTHEAST ASIANS AND JAPAN SEEKING BETTER RELATIONS WITH PEKING AND ACCEPTING TERMINOLOGY ON "HEGEMONY" WHICH THEY FIND OFFENSIVE. EVEN IN SOVIET DEMONOLOGY, HOWEVER, IT SEEMS A LONG LEAP TO ENVISAGE "CHINESE CONTROL OF THE SEA LANES" OF SOUTHEAST ASIA, OR TO PICTURE THE AREA VIRTUALLY DEVOID OF OTHER OUTSIDE INFLUENCES.

4. MOSCOW EXPECTS HANOI TO CONVERT ITS MILITARY MIGHT INTO POLITICAL MUSCLE IN THE AREA, AND TO RETARD THE EXPANSION OF PRC INFLUENCE. MIKHAIL KAPITSA, CHIEF OF THE MFA'S FIRST FAR EASTERN DIVISION, RECENTLY ESTIMATED THAT SOVIET INFLUENCE IN HANOI HAD RISEN FROM 40-55 PERCENT AT THE TIME OF THE U.S. WITHDRAWAL TO ABOUT 65 PERCENT NOW--AN ASSESSMENT WHICH WE FIND PLAUSIBLE. THE SOVIETS ARE COUNTING ON AGE-OLD VIETNAMESE DISTRUST OF CHINESE TO PREVENT PEKING'S DOMINATION OF HANOI. CAMBODIA REMAINS A QUESTION MARK, SINCE THE SOVIETS WERE BOOTED OUT SO UNCEREMONIOUSLY AND HAVE NOT BEEN INVITED BACK. BUT THE SOVIET PARTY DELEGATIONS IN HANOI MET WITH SIHANOUK LAST WEEK AND THE CAMBODIAN EMBASSY HERE HAS CONFIDENTIAL

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BEGUN FUNCTIONING AGAIN. IN LAOS THE SOVIETS HAVE MOVED RAPIDLY TO BUILD UP THEIR PHYSICAL PRESENCE AND APPEAR TO HAVE GAINED A STRONG (IF NOT UPPER) HAND WITH THE NEW REGIME.

5. MOSCOW HAS STRONGLY ENDORSED THE NORMALIZATION OF RELATIONS BETWEEN THE SOUTHEAST ASIAN STATES AND THE NEW REGIMES IN INDOCHINA, AND PROBABLY HOPES TO BENEFIT FROM ANY ENHANCEMENT OF HANOI'S STANDING, BOTH BY PROXY AND

DIRECTLY. THE SOVIETS ALSO ADVOCATE MORE REGIONAL CLOSENESS IN HOPES THAT HUDDLING TOGETHER WILL WARD OFF CHINESE HEGEMONY. IN THEIR BEST OF ALL POSSIBLE WORLDS, THE SOVIETS WOULD ALSO LIKE TO SEE THE COUNTRIES OF SOUTHEAST ASIA, COMMUNIST AND NON-COMMUNIST, SIGN ON TO A SYSTEM OF ASIAN COLLECTIVE SECURITY UNDER MOSCOW'S TUTELAGE.

6. EVEN IF MOSCOW'S AIMS EXCEED ITS GRASP, IT CLEARLY DOES NOT EXPECT TO SEE ANYTHING APPROACHING CHINESE "HEGEMONY," WHETHER BY EMULATION, BY DIPLOMACY, BY SUBVERSION OR BY ARMED FORCED. THE SOVIETS EXPECT THE U.S. TO REMAIN A SIGNIFICANT PRESENCE IN SOUTHEAST ASIA, DESPITE THEIR PUBLIC CRITICISM OF THAT PRESENCE. THEY ALSO EXPECT JAPAN'S INFLUENCE TO GROW.

7. WHETHER SOVIET (OR CHINESE) POLICIES ARE A THREAT TO U.S. INTEREST DEPENDS ON WHAT THOSE INTERESTS ARE, ON HOW SUSCEPTIBLE THE COUNTRIES ARE TO SOVIET AND CHINESE BLANDISHMENTS, ON HANOI'S POSTURE, ON REGIONAL RELATIONSHIPS AND ULTIMATELY ON THE INTERNAL STRENGTH AND STABILITY OF EACH COUNTRY'S POLITICAL AND ECONOMIC SYSTEM. THERE IS NO ADVANTAGE TO UNDERSTANDING OUR INTERESTS NOW JUST BECAUSE WE OVERSTATED THEM IN THE PAST. FROM HERE, U.S. HOPES FOR SOUTHEAST ASIA, DESPITE SHAPLEN'S PESSIMISTIC ASSESSMENT, DO NOT SEEM MORE REMOTE OF FULFILLMENT NOW THAN THEY DID A DECADE AGO, WITH THE OBVIOUS EXCEPTION OF INDICINA. WE WOULD THEREFORE QUESTION WHETHER THERE IS A NEED TO BE A "FIDUCIARY" FOR CHINA OR TO BARGAIN WITH PEKING OVER PRC POLICY IN THE REGION. THE BENEFITS IN TERMS OF CHINESE RESTRAINT ARE DUBIOUS, ESPECIALLY IF THEIR INFLUENCE IS TO EXPAND NOT THROUGH ANY DIRECT INITIATIVE ON THEIR PART, BUT THROUGH "EMULATION" BY OTHERS. AND IN TERMS OF OUR RELATIONS WITH MOSCOW, ANY SIGNS OF U.S.-PRC COLLUSION WOULD TEND TO CONFIRM THE FEAR THAT "MAOISM" AND "IMPERIALISM" CONFIDENTIAL

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ARE OUT TO HARM THE SOVIET UNION--A FEAR THAT ALREADY FINDS FREQUENT EXPRESSION IN SOVIET PROPAGANDA.

8. MORE TO THE POINT, U.S. POLICIES, IN OUR VIEW, MUST BE TAILORED BOTH ACCORDING TO WHAT WE WANT AND TO WHAT WE CAN DO. DO WE REALLY WANT TO "KEEP THE SOVIETS OUT OF THIS PRESERVE?" DO WE HAVE THE MEANS TO DO SO? WOULD IT BE WORTH THE EFFORT EVEN TO TRY? THE SOVIETS START FROM A POSITION OF RELATIVE WEAKNESS IN SOUTHEAST ASIA. THEY HAVE VIRTUALLY NO SUBVERSIVE OPTIONS AND THEY HAVE A MIXED RECORD IN STATE RELATIONS. DESPITE THEIR GROWING SEAPOWERS, THEY ARE CLEARLY IN NO POSITION TO TAKE OVER "CONTROL" OF THE SEA AND AIR LANES OF THE REGION, EVEN IN THE REMOTE CHANCE THAT WE AND THE COUNTRIES OF THE REGION ABANDONED THEM. BUT IT ALSO SEEMS OBVIOUS THAT THE COUNTRIES OF THE REGION HAVE LITTLE TO GAIN BY

CHOOSING SIDES BETWEEN MOSCOW AND PEKING AND MORE TO GAIN BY  
SEEKING ADEQUATE RELATIONS WITH BOTH. THIS SEEMS NOT NAIVE  
BUT COMMONSENSICAL. ASSUMING THAT THE U.S. AND JAPAN REMAIN  
ACTIVELY INVOLVED AND INTERESTED IN THEM, THE COUNTRIES  
OF THE AREA COULD VERY WELL EVOLVE A NEW BALANCE OF RELATION-  
SHIPS BOTH BETWEEN THEMSELVES AND WITH THE MAJOR OUTSIDE POWERS  
IN WHICH NONE WOULD HAVE A PREDOMINANT INFLUENCE. IN FACT,  
THE PICTURE COULD LOOK RATHER LIKE IT DOES TODAY.  
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## Message Attributes

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